

The Stream Line

On Kentucky's State Revolving Fund (SRF) Program

See inside this issue:

SRF Frequently Asked Questions

1

Capacity Development Assistance Program

2

Engineer's Corner

2

Dam Safety Story

3

News You Can Use

4



Contact Information

Shafiq Amawi

Division of Water (DOW)

200 Fair Oaks Lane

4th Floor

Frankfort, KY 40601

502-564-3410, ext. 4961

Fax: 502-564-9003

E-mail:

Shafiq.amawi@ky.gov

water.ky.gov

Sandy Williams

Kentucky Infrastructure

Authority (KIA)

1024 Capital Center Drive

Suite 340

Frankfort, KY 40601

502-573-0260

Fax: 502-573-0157

kia.ky.gov



SRF Frequently Asked Questions...

◇ How much money is available for loans in the 2014 funding cycle?

Answer: The amount of loan money available for the 2014 funding cycle is unknown at this time. Figures for both the drinking water (DW) and clean water (CW) programs are dependant upon the final 2013 federal fiscal year budget, prior year residual funds, repayment dollars, and interest earnings. Projected loan amounts will be announced in the 2014 Intended Use Plan that will be released in the spring of 2013.

◇ I have a project that needs funding. How do I apply for a SRF loan?

Answer: The first step toward determining if a SRF loan is the best choice to fund your infrastructure project, is to answer three fundamental questions: 1) Can my system/entity afford a low-interest loan with a 20 year term? 2) Is my system/entity eligible for a SRF loan? 3) Is my project eligible for a SRF loan? If the answer is "yes" to all three questions, then on to step number two you go, which is to contact your regional Area Development District (ADD) planner. You will need to work with your ADD planner to have a Project Profile entered into the Water Resources Information System (WRIS), a comprehensive infrastructure database maintained by the KY Infrastructure Authority (KIA). All submittals must be in the form of an electronic Project Profile and must be entered by your ADD Planner. At the end of the Call for Projects period (Dec. 15, 2012), those projects identified as needing SRF funding are scored and ranked and a Project Priority List is developed to determine priority for funding.

◇ How can I improve my project's score on the Project Priority List?

Answer: The CWSRF and DWSRF have individual ranking criteria that reflect the priorities for both programs. Below are links to guidance documents that provide detailed information on how projects are scored, complete with examples and restric-

tions. Also incorporated into the ranking criteria are Sustainable and Green Infrastructure incentive points or "bonus" points that a system can obtain just by demonstrating sustainable practices. For example, up to 40 points can be applied to projects that can demonstrate proper asset management. Up to 40 points can be given to a project that is considered "green." Project readiness is another way to obtain bonus points. Projects that have completed design, started the environmental review process, and have funding committed can gain an extra 30 points!

- <http://water.ky.gov/Funding/Pages/CleanWaterStateRevolvingFund.aspx>

- <http://water.ky.gov/Funding/Pages/DrinkingWaterStateRevolvingFund.aspx>

◇ When will I know if my project will receive SRF funding?

Answer: The priority list will be available for public review and comment in the spring of 2013, as part of the 2014 Intended Use Plan. High-ranking projects will be invited to submit a loan application to the KIA, after which a credit analysis will be initiated.

◇ Can I change or modify the scope of my project?

Answer: Minor changes and additions are usually harmless. Because projects are scored based on individual components and or water quality impacts, in the case of wastewater projects, it is not okay to eliminate significant project components or change the project to the point that it does not achieve the original intent.

As always, if you are interested in obtaining an SRF loan for a drinking water or wastewater infrastructure project, and would like further consultation on how to prepare a project profile, you may contact Anshu Singh at 502-564-3410 or Anshu.singh@ky.gov for clean water; and Amanda Yearly at 502-564-3410 or Amanda.yearly@ky.gov for drinking water. For financing inquiries, you may contact Sandy Williams at 502-573-0260 or Sandy.williams@ky.gov.

Capacity Development Assistance Program

The DOW Capacity Development staff is currently in the second year of funding a Capacity Development Assistance Program (CDAP) for small systems. This program provides financial assistance to qualifying small drinking water systems to achieve and maintain sufficient technical, managerial and financial (TMF) capacity in order to provide the public with safe drinking water. This assistance program also helps systems remain in compliance with national and state drinking water regulations.

Background

The Drinking Water State Revolving Fund (DWSRF) was established by the Safe Drinking Water Act (SDWA) Amendments of 1996. The State is authorized to use up to 10 percent of their DWSRF grant to provide capacity development assistance. Since small systems historically have the most problems meeting the requirements of the SDWA, the 1996 amendments to SDWA limit assistance to systems that serve populations under 10,000. Of the 461 public drinking water systems in Kentucky, 353 are eligible for assistance.

Vision

DOW Capacity Development staff conducts sanitary surveys of drinking water systems across Kentucky, to review managerial and financial capacity. Any regulatory deficiencies are noted and additional recommendations for improving TMF capacity are made in the report sent to systems. These recommendations, though important, may be non-regulatory and systems may find it difficult to fund their implementation.

The CDAP helps public water systems adopt recommendations of the sanitary surveys or other DOW or technical assistance provider inspections. Note that these funds may not be used for capital construction, equipment or salaries. Items such as system mapping, tank inspections, preparation of emergency response or asset management plans, operation and maintenance (O&M) plans and leak detection are eligible for funding.

Where we are now

The assistance program is being administered by DOW and the Kentucky Rural Community Assistance Program. During the last funding cycle, seven systems out of 37 applications were awarded funding. The projects funded in that round included tank inspections, leak detection equipment and services and mapping.

The Capacity Development Section is excited about the success of this program and the assistance it will provide to many small drinking water systems that may otherwise struggle with state and federal regulations. The call for projects for the next funding cycle is currently open until Dec. 7, 2012. The application forms are available on the DOW website at: <http://water.ky.gov/DrinkingWater/Pages/CapDev.aspx>.

Engineer's Corner

Plan Review Letter – Helping Utilities Manage Extensions and Improvements

All drinking water and wastewater plans submitted to the Engineering Section require a letter from the utility that is providing service to the modification.

Drinking water plans require a letter from the water utility. This letter should confirm that the water system:

- has reviewed the plans,
- accepts the design,
- has the capacity to provide water to the project while maintaining satisfactory pressure and flow in their distribution system, and
- will provide water service to the project.

Wastewater plans require letters from the system that receives the wastewater and all consecutive systems that will carry the wastewater to the treatment plant. These letters should confirm:

- the owner of the sewer lines accepts responsibility for the operation and maintenance of the sewer lines when they are constructed,
- the owner(s) of sewer system(s) receiving sewage approve the connection and accept responsibility for the additional flow,
- the portion of the sewer system used by the connection has adequate capacity to transport the current and anticipated peak flow to the WWTP,
- the portion of the sewer system used by the connection is not subject to excessive infiltration or excessive inflow, and
- the owner of the WWTP states they accept responsibility for treating the additional flow.

It is important that utility managers are knowledgeable about the components that constitute their distribution and collection systems, especially as modifications are planned.



Inches Away from Disaster, DOW Dam Safety Engineers Save Water Supply of Manchester and Clay County



By Gary Wells

In January 2012, engineers with the DOW Dam Safety Section made a startling discovery: only a few inches of concrete stood between the county and the loss of its only source of raw water. The decaying inches of concrete is in a section of wall in the riser tower on Bert T. Combs Lake in Clay County. An inner wall, with a thickness of ten inches, had an approximate seven inch deep hole. Only a few inches of the inner wall separated the water intake well from the lake's overflow. A continuing freeze-thaw cycle in winter and spring months had the potential to cause failure to the remaining section of concrete wall and empty the lake.

The structural integrity of the dam was not in jeopardy by the collapse of the inner wall since the lake's water would drain through the outlet pipe and not affect the dam. The real threat was to the only water supply for Clay County. The municipal water plant provides drinking water for over 20,000 customers and provides substantial economic benefits for Manchester and Clay County. Recognizing that the decaying inner wall would continue to crumble and disintegrate, engineers with Dam Safety were prompted to take action.

Bert T. Combs Lake is impounded by Beech Creek Dam located along Beech Creek in Clay County, approximately three miles east of the City of Manchester. Beech Creek Dam is owned by the Kentucky Department of Fish and Wildlife Resources, which has a lease agreement with the county to care for the maintenance on the dam. Kentucky Revised Statutes (KRS) 151.291 designates the Kentucky Energy and Environment Cabinet (EEC) with assuring that all dams owned by the Commonwealth comply with all dam safety regulations.

The Dam Safety Section in EEC is tasked with inspecting over 980 dams, both public and private dams, in the state to ensure that life and property are protected from the threat of inundation due to a dam failure. Engineers in Dam Safety perform thorough inspections of dams in accordance with guidelines established by the Federal Emergency Management Agency. Engineers with Dam Safety

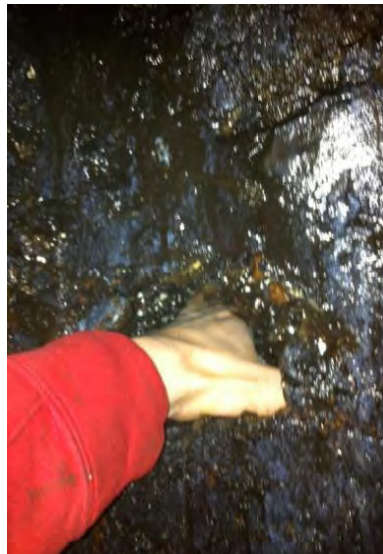
are well-trained in identifying problems before they worsen. It is the responsibility of the dam owner to repair and correct the deficiencies identified in the inspection.

A thorough and systematic evaluation of the condition of Beech Creek Dam revealed the large hole in the inner wall. Included in the systematic evaluation was a video inspection of the concrete riser (tower) and outflow tunnel by professional divers. The results of the underwater inspection showed issues such as heavy scaling, efflorescence, honeycombing, biological growth, and defective concrete. Major concerns were the numerous water leaks at eight defect locations on the tower.

The divers repaired two deficient areas observed on the outside of the tower during the underwater inspection. All of the water leak locations had the potential for increased leaking and failure of the defective wall impacting the water supply or jeopardizing the retention of the lake. Three of the most critical areas were repaired by adding a large 3-foot by 3-foot steel form filled with grout to strengthen significant section loss. At this time all eight defect locations identified were repaired. There are likely conditions that are contributing to the leaks that were not detectable at time of repairs. The purpose of the repairs is to address isolated "spot" locations to limit significant amounts of leakage into the riser and restore the integrity of specific concrete defect locations.

The action by engineers with Dam Safety in plugging the "Swiss cheese" holes on the riser tower on Bert T. Combs Lake represents a notable and well-planned effort to avoid a disastrous event that could have left thousands of people without water.

Before Repairs



After Repairs



A five-inch hole (with hand) in the ten-inch wall is seen in the first photo. The second photo is of the large 3-foot x 3-foot form filled with grout over the hole.

News You Can Use

2014 SRF Call for Projects is Open

On Oct. 1, 2012, the annual State Revolving Fund (SRF) 2014 Call for Projects was announced. If you have a drinking water project that will need funding during the 2014 state fiscal year (July 1, 2013, thru June 30, 2014), we want to hear from you as your project may be eligible to receive funding from the Drinking Water State Revolving Fund (DWSRF). The DWSRF is a competitive program. To be qualified to apply for a low-interest DWSRF loan, your project MUST be ranked and listed on the 2014 DWSRF Priority List developed by the Division of Water (DOW). Projects will not be carried forward from the 2013 project priority list to the 2014 project priority list. To submit a project for SRF consideration, contact your regional Area Development District today.

SRF Binding Commitments, June 2012 to October 2012

August 2012

Fund A (Clean Water)

- Jenkins-\$500,000



We need your help!

Do you have an idea or suggestion for a future issue of *The Stream Line* or know someone to add to our mailing list? Contact Buddy Griffin at buddy.griffin@ky.gov. Please forward this newsletter to others who may be interested!

Update on ARRA Funds Expended and Remaining

The American Recovery and Reinvestment Act (ARRA) of 2009 allotted \$68 million to Kentucky for wastewater infrastructure and drinking water projects.

Kentucky Clean Water State Revolving Fund received approximately \$48.8 million while Kentucky's Drinking Water State Revolving Fund received approximately \$19.3 million.

To date, Kentucky has paid out \$47,780,286.04 in Clean Water ARRA project expenditures, with \$1,013,196.35 in project funds still under construction. There were 45 Clean Water ARRA projects, and 41 of those are now closed with all construction work and ARRA required documentation completed.

Kentucky has paid out \$18,525,298.66 in Drinking Water ARRA project expenditures, with \$760,634.36 still under construction. There were 18 Drinking Water ARRA projects, and 13 of those are now closed with all construction work and ARRA required documentation completed.

If you have an ARRA project that has not yet closed, please note that EPA is requesting that all ARRA projects be completed and all funds expended by Sept. 30, 2013.

The Stream Line

Commonwealth of Kentucky

Steven L. Beshear, *Governor*

Energy and Environment Cabinet

Leonard K. Peters, *Secretary*

Department for Environmental Protection

Bruce Scott,
Commissioner

Division of Water

Sandy Gruzesky, *Director*

The Stream Line is published by the Division of Water with state and federal funds. Write the Division of Water, Water Infrastructure Branch, SRF & SPAP Section, 200 Fair Oaks Lane, 4th Floor, Frankfort, KY 40601 to have your name and e-mail address added to the mailing list, call 502-564-3410, ext. 4592, fax your request to 502-564-9003 or e-mail joel.murphy@ky.gov.

The Energy and Environment Cabinet does not discriminate on the basis of race, color, national origin, sex, age, sexual orientation, gender identity, religion, disability, ancestry or veteran's status and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, contact the Division of Water, Water Infrastructure Branch, SRF & SPAP Section, 200 Fair Oaks Lane, 4th Floor, Frankfort, KY 40601 or call 502-564-3410, ext. 4971. Hearing- and speech-impaired persons can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call 800-648-6057. For TDD to voice, call 800-648-6056.